



Bel Fuse Inc.
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September 2004

Subject: Bobbin-wound Telecom Products

Dear Customer:

Demand for all of Bel's bobbin wound, discrete telecom transformers and inductors has dropped dramatically in recent years as the market shifts to our value-added, integrated modules. This reduced demand has resulted in a low volume, high mix situation at our factories that makes cost-effective manufacturing of these discrete products a challenge.

For several years, we have either reduced or kept prices steady for these products in spite of our increased manufacturing costs. However, as demand continues to drop, we need to implement a minimum order quantity. This will help reduce set-up time and maximize production efficiency, enabling us to maintain competitive product pricing for our valued customers.

Effective immediately, we have instituted a minimum order quantity of 2,000 pieces. This restriction applies to the majority of the discrete telecom products in the Bel 0560 and S560 part number series as well as Lucent legacy products. Questions regarding specific part numbers should be directed to your customer service representative.

We appreciate your support and understanding in following our new minimum order quantity policy for these telecom products.

Sincerely,

A handwritten signature in black ink that reads "Dwayne Vasquez". The signature is written in a cursive, flowing style.

Dwayne Vasquez
Vice President, Sales
Bel Fuse Inc.